



## **APPLICATION FOR ACCOUNTS RECEIVABLE FINANCING PROGRAMS**

...Includes answers to frequently asked questions about accounts receivable funding, factoring and working capital strategies.

Once this application is completed, please fax to 530.231.5360, or mail to address below with the support items requested at the end of the application.

### **Liquid Capital of Northern California**

1200 West 8th Street  
Davis, CA 95616-3411

Tel: 530.750.2585

Fax: 866.636.2124

Cell: 530.400.1106

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# Frequently Asked Questions about Accounts Receivable Funding



## Is accounts receivable funding a new financing option?

Accounts receivable funding is one of the oldest forms of financing. It has been around in one form or another for more than 4,000 years. Until the mid 1980s, most people thought accounts receivable funding was only used in the textile and garment industries. Today, accounts receivable funding is a widely used and viable financing solution for all types of businesses that extend credit terms to their customers.

## How can accounts receivable funding help my business?

By providing an immediate source of cash flow for your company. You can use this cash to provide working capital, meet payroll, pay taxes, replenish inventory, increase advertising, purchase equipment, improve your credit rating, and more.

## How is accounts receivable funding from Liquid Capital different than accounts receivable financing from a bank?

When making a funding decision, Liquid Capital will focus on the creditworthiness of your customers while banks will focus on your company's financial history and cash flow. Best of all, Liquid Capital will make a quick funding decision, while banks may take weeks—even months—to approve a loan.

## Will my company be eligible for accounts receivable funding if it has a bank loan or line of credit?

If a bank has a lien on your company's accounts receivable, you should let us know right away. We will ask the bank to subordinate that lien in favor of Liquid Capital. This is a common occurrence, most banks will accommodate the request, but we must know this information in advance.

## My company owes back taxes. Can I still apply for accounts receivable funding?

Yes, Tax problems are handled on a case-by-case basis. Please let us know immediately so that we can discuss the payoff of your back taxes or a lien subordination with the IRS.

## I have had a past bankruptcy, is accounts receivable funding still an option?

Yes, Liquid Capital will still consider your application even if you have credit problems or a past bankruptcy.

## Will I be locked into a long term contract?

We offer the most flexibility available today. You will have an open ended agreement with no take or pay minimums. There will be no hidden or extra fees and if you do not require additional working capital for a period of time you have the flexibility to save money without any penalty. We are most interested in the success and profitability of your business.

## Which customers would be good candidates for accounts receivable funding?

We look to fund all of your customers. First, we need their names, addresses, phone numbers and the amounts of credit desired. This will save you time when submitting invoices to us. Also, anytime you obtain new customers, fax the same information to us, and we will check them out for you.

## How long does it take to receive the first funding?

The initial funding takes between 1-4 business days after we receive your signed contract. If you wish, you can send your invoices to be funded with the signed contract. After the initial funding, your company can receive funds usually within 24 hours after verification.

## Does Liquid Capital purchase outstanding invoices?

Yes. For the first funding only, we can purchase your invoices from your outstanding accounts receivable subject to verification.

## Are accounts receivable funding fees tax deductible?

Accounts receivable funding fees are an expense and should be treated as such.

## Does Liquid Capital verify invoices with my customers?

Invoice verification is an essential, and accepted, part of funding. Because factors verify invoices with customers, they can tell clients if there is a customer service problem right away. A non-factoring client may not notice the problem until the invoice becomes past due. By that time, it may be too late to save the account. For the process to run smoothly, we suggest that you call your customers and we will send them a joint letter in advance to let them know that you are now working with Liquid Capital. We generally let your clients know that you are outsourcing your A/R processes like many folks outsource payroll.

## What should I do if my customer mistakenly sends the payment to my company?

This might happen, especially with the first invoice. If this occurs, the check must be sent to Liquid Capital immediately. Your company should never deposit invoice checks since we are also providing you with A/R management services. We also ask that you notify your customer to pay us directly in the future.

## How can I be certain that Liquid Capital will treat my customers well?

The last thing we want is for you to lose a customer. Liquid Capital is not a collection agency. We will never harass your customers for money. Maintaining your customers' goodwill and confidence are of utmost importance to us!

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Want to know more about Liquid Capital of Northern California? Visit [www.apurohit.liquidcapitalcorp.com](http://www.apurohit.liquidcapitalcorp.com) or [click here](#) to view our 2 minute video. (you can also see our video by pasting the following address in your browser)  
<http://www.apurohit.liquidcapitalcorp.com/impact-video.html>

# Application



**Liquid Capital of Northern California**  
 1200 West 8th Street  
 Davis, CA 95616-3411  
 Tel: 530.750.2585 Fax: 866.636.2124  
 Cell: 530.400.1106

## GENERAL INFORMATION

Exact Corporate Name:				Incorporation Date:			
Other Trade or Assumed Names (d/b/a):				Federal Tax Id:		Duns ID:	
Type Of Business? (Check One) <input type="checkbox"/> Manufacturer <input type="checkbox"/> Wholesaler <input type="checkbox"/> Distributor <input type="checkbox"/> Service <input type="checkbox"/> Other (explain) _____							
Detail of Business Description (Products or Services):							
Structure of Company (Check One) <input type="checkbox"/> Sole Proprietor <input type="checkbox"/> Partnership <input type="checkbox"/> Corporation <input type="checkbox"/> LLC				County:		State Incorporated:	
Business Street Address:				City:		State:	Zip:
Mailing Address (if different):				City:		State:	Zip:
Telephone #		Fax #	Cell Phone #		Web address:		Email address:

## PRINCIPALS

Name:		Home Phone:		Own <input type="checkbox"/>		Rent <input type="checkbox"/>	
Address:			City:		State:	Zip:	
SSN#		Date of Birth:		% Owned of Company:			
Title: (Check One) <input type="checkbox"/> President <input type="checkbox"/> Sole Proprietor <input type="checkbox"/> Shareholder <input type="checkbox"/> Senior Partner <input type="checkbox"/> Secretary <input type="checkbox"/> Vice President <input type="checkbox"/> Other: (explain) _____							
Name:		Home Phone:		Own <input type="checkbox"/>		Rent <input type="checkbox"/>	
Address:			City:		State:	Address:	
SSN#		Date of Birth:		% Owned of Company:			
Title: (Check One) <input type="checkbox"/> President <input type="checkbox"/> Sole Proprietor <input type="checkbox"/> Shareholder <input type="checkbox"/> Senior Partner <input type="checkbox"/> Secretary <input type="checkbox"/> Vice President <input type="checkbox"/> Other: (explain) _____							
Name:		Home Phone:		Own <input type="checkbox"/>		Rent <input type="checkbox"/>	
Address:			City:		State:	Address:	
SSN#		Date of Birth:		% Owned of Company:			
Title: (Check One) <input type="checkbox"/> President <input type="checkbox"/> Sole Proprietor <input type="checkbox"/> Shareholder <input type="checkbox"/> Senior Partner <input type="checkbox"/> Secretary <input type="checkbox"/> Vice President <input type="checkbox"/> Other: (explain) _____							

## ACCOUNTS RECEIVABLE INFORMATION

A/R Balance:		Amount Planned to Factor:		Any Sales to Affiliates: <input type="checkbox"/> Yes <input type="checkbox"/> No		Any Sales to Vendors: <input type="checkbox"/> Yes <input type="checkbox"/> No	
Have you now or ever factored invoices? If yes, with whom? <input type="checkbox"/> Yes <input type="checkbox"/> No							
List 5 Largest Customers		Current Balance Owed	High Credit Amt Required Each Month	Contact Name & Phone Number		Headquarters Address / /City / State / Zip	

### BACKGROUND INFORMATION

Are the current accounts receivable pledged as collateral to any third party? If yes explain:  Yes  No

Does the business use a payroll service for employees? If yes, which company?  Yes  No

Are there past due Federal or State taxes, including but not limited to withholding taxes?  
 Yes  No

If so, has a lien been filed against the business or the owners?  Yes  No

Are installment/payment plans in place?  
 Yes  No

Does the business have any subsidiaries or affiliates or related entities? If yes, please explain:  Yes  No

Has there been a change of ownership in the past 12 months? If yes, please explain:  Yes  No

Has there ever been a change in the business name? If yes, please explain:  Yes  No

Have you or the business ever filed for Bankruptcy? If yes, please Explain  Yes  No

Are there any lawsuits threatened or pending against the company? If yes, please explain:  Yes  No

Applicant understands that Liquid Capital Exchange, Inc. and its Service Providers and/or franchisees to rely upon the foregoing information in determining whether to enter into a factoring agreement and applicant authorizes Liquid Capital Exchange Service Providers and/or franchisees to do so. Applicant also understands that the foregoing information may be incorporated by reference into an agreement between Applicant and Liquid Capital Exchange, Inc. and any failure of Applicant to disclose truly, completely and correctly the information requested may constitute a breach of any such agreement. Applicant understands further that Liquid Capital Exchange, Inc. has not, by requesting the completion of or accepting this application form, committed to make or implied an intention or commitment to enter into a factoring program with Applicant. Applicant acknowledges that he has retained a copy of this application. "Applicant" hereby authorizes Liquid Capital Exchange and/or its Service providers and/or franchisees (officers, employees or other representative thereof) to visit and inspect any properties of Applicant; to discuss Applicant and its affairs, finances, and accounts with, and be advised as to the same by Applicant's officers, employees, and independent public accountant; all to such reasonable extent as Liquid Capital Exchange may desire, and all on the condition that Liquid Capital Exchange, Inc. seeks such information in good faith in connection with the within factoring application.

Applicant hereby authorizes its suppliers, customers, lenders, accountants, principals, officers, and attorneys to provide Liquid Capital Exchange, Inc. (and any officer, employee, service provider, franchisee or representative thereof) such information about Applicant and its affairs, finances, and accounts as Liquid Capital Exchange, Inc. may request. Applicant also authorizes each such person and firm to accept a copy of this Authorization as if it were an original. The undersigned individual(s) who is/are either a principal(s) of the credit applicant or a sole proprietorship of the credit applicant, recognizing that his or her individual credit history may be a factor in the evaluation of the credit history of the applicant, hereby consents to and authorizes the use of a consumer credit report on the undersigned by Liquid Capital Exchange, Inc. and/or its service providers, and/or its franchisees from time to time as may be needed in the credit evaluation.

Applicant Signature: _____ Title: _____ Date: _____
Print Name: _____

Applicant Signature: _____ Title: _____ Date: _____
Print Name: _____

Applicant Signature: _____ Title: _____ Date: _____
Print Name: _____

<b>Supporting Documentation Checklist:</b> Please provide the following Documents with your application (these are required)	
<input type="checkbox"/> Application is Complete & Signed	<input type="checkbox"/> Copy of ID (Drivers License or Passport)
<input type="checkbox"/> Detail Accounts Receivable Aging	<input type="checkbox"/> Copy of Articles of Incorporation or Organization, etc
<input type="checkbox"/> Detail Accounts Payable Aging	<input type="checkbox"/> Copy of Insurance Certificate (Trucking, Contracting)
<input type="checkbox"/> Master Customer List with names, addresses, phone #	<input type="checkbox"/> Sample Invoices & Supporting Documentation (Purchase Order, Proof of Delivery, or evidence of completion, etc)
<input type="checkbox"/> Prior Year & Current Year Financial Statements	<input type="checkbox"/> \$350 Application fee is required (make your cheque payable to Global Capital of Northern California, Inc. dba Liquid Capital of Northern California)

[Detail list of Supporting Documents are list on the next page]

<p><b><u>Please scan, fax or e-mail all your documents to:</u></b></p> <p><b>Dr. Amul Purohit, President</b>  Liquid Capital of Northern California  1200 West 8<sup>th</sup> Street  Davis, CA 95616-3411</p> <p>Fax: 866.636.2124  E-Mail: <a href="mailto:amul.purohit@gmail.com">amul.purohit@gmail.com</a></p>
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**ELECTRONIC FUNDS TRANSFER AUTHORIZATION**

COMPANY NAME: \_\_\_\_\_ PHONE NUMBER: \_\_\_\_\_

**ACH TRANSFERS**

I/we hereby authorize Liquid Capital Exchange, Inc. ("LCX") to initiate Debit/Credit entries to the account listed below:

NAME OF ACCOUNT: \_\_\_\_\_ TYPE:  Checking  G/L  Savings

FINANCIAL INSTITUTION: \_\_\_\_\_ BRANCH: \_\_\_\_\_

STREET ADDRESS: \_\_\_\_\_

CITY/STATE/ZIP: \_\_\_\_\_

BANK I.D./INSTITUTION'S ROUTING (ACH) #: \_\_\_\_\_

ACCOUNT NUMBER: \_\_\_\_\_

This authority is to remain in full force and effect until LCX and the above named institution(s) have all received at least thirty (30) days written notification from the account holder of its termination so as to afford the interested parties reasonable time to act upon it.

NAME \_\_\_\_\_ SIGNATURE \_\_\_\_\_ DATE \_\_\_\_\_

NAME \_\_\_\_\_ SIGNATURE \_\_\_\_\_ DATE \_\_\_\_\_

*Received By:* \_\_\_\_\_ *Date:* \_\_\_\_\_

**WIRE TRANSFERS**

NAME ON ACCOUNT: \_\_\_\_\_ TYPE:  Checking  G/L  Savings

FINANCIAL INSTITUTION: \_\_\_\_\_ BRANCH: \_\_\_\_\_

STREET ADDRESS: \_\_\_\_\_

CITY/STATE/ZIP: \_\_\_\_\_

BANK I.D./INSTITUTION'S ROUTING (WIRE) #: \_\_\_\_\_

ACCOUNT NUMBER: \_\_\_\_\_

***Please attach a copy of a VOIDED or CANCELLED check for Verification of Bank Routing # for ACH AND/OR WIRE Transactions***

# Factoring Application Checklist

The following information should be provided to expedite the approval process.

- Signed Client Application
- Detail Accounts Receivable Aging
- Detail Accounts Payable Aging
- List of Orders on Hand
- Customer Address List with phone numbers and addresses
- Interim Financial Statements, including balance sheets and income statements, if available, and/or three months bank statements
- Annual Financial Statements and Tax Returns (preferably last two years)
- Copy of a sale including contract or purchase order, invoice, and delivery ticket, bill of lading, timesheet or other evidence of completion
- Corporate Documentation:
  - a. Articles of Incorporation and By-Laws (if corporation);
  - b. Partnership Agreement if Partnership;
  - c. Operating Agreement if LCC;
  - d. Copy of fictitious name filing for any trade names used
- Copy of Insurance Certificate
- Payroll Tax Information
- Brochures and other company information (if available)
- Resumes on company owners
- Personal financial statements on owners and/or guarantors
- Application fee of \$350 (payable to Global Capital of Northern California, Inc.)